Combined General Shareholders' Meeting

June 7, 2018
Safety
A steady commitment

Frequency rate of lost-time accidents (LTAR)*
5.4
1.3

Frequency rate of non-lost-time accidents (TRAR)*
15.6
2.6

* Saint-Gobain employees, temporary workers, permanent contractors – For one million hours worked.
Materials that power life

Digital services for all of our customers

A continuous international expansion

Our major projects
XILEC refractories
An ecological and high-performance solution for next-generation glass manufacturing
ECLAZ glass
A breakthrough innovation for improved thermal and visual comfort
New Isover glasswool
A soft and ecological material with high thermal and acoustic performance
Overlength

An exceptional view and a unique sensation of space
• Materials that power life
• Digital services for all of our customers
• A continuous international expansion
• Our major projects
Building Distribution

New services to become our customers’ partner of choice
KANDU
Our solution to improve every aspect of comfort
Sweeten

A “matchmaking” service between homeowners and general contractors for renovation projects in the United States
saint-gobain.fr

Our new website to provide end customers with inspirationnal ideas.
Saint-Gobain
SHAREHOLDER
Our new mobile application for our shareholders
Materials that power life

Digital services for all of our customers

A continuous international expansion

Our major projects
Materials that power life

Digital services for all of our customers

A continuous international expansion

Our major projects
Paris Law Court complex
Shakespeare Theater, Chicago
Louvre Abu Dhabi
Annual General Meeting
Claude Imauven - June 7, 2018
DIGITAL TRANSFORMATION
AT SAINT-GOBAIN
THE DIGITAL REVOLUTION HAS CHANGED THE WORLD

Living hyperconnected
THE DIGITAL REVOLUTION HAS CHANGED THE WORLD

Living hyperconnected
THE DIGITAL REVOLUTION HAS CHANGED THE WORLD

Value chains now serve a multitude of highly informed consumers
THE DIGITAL REVOLUTION HAS CHANGED THE WORLD

We access knowledge and learn in new ways.
THE DIGITAL REVOLUTION HAS CHANGED THE WORLD

Automation is on the rise.
The digital revolution has changed Saint-Gobain.

We now provide services and solutions from a single platform.
THE DIGITAL REVOLUTION HAS CHANGED SAINT-GOBAIN

Strengthen customer intimacy and our employer appeal with the brand.
THE DIGITAL REVOLUTION HAS CHANGED SAINT-GOBAIN

Prefabrication

Services at the worksite

The integrated roof system

Customer training

Digital modeling

Integrated production & supply chain

It means broadening our range.
INVENT NEW CAREERS
ACQUIRING NEW SKILLS

Design acoustique adapté aux activités au

www.ecophon.com/solutions/bureaux/design-acoustique

Vous en saurez plus sur le Design acoustique adapté au

trouver des solutions acoustiques qui assureront un lien

Améliorer les espaces de travail au bureau

www.ecophon.com/applications-et-solutions/bureaux

Les nouvelles manière de travailler et d’organiser les espaces

Solutions acoustiques pour différentes zones dans les

Solutions acoustiques et applications - Ecophon

www.ecophon.com/applications-et-solutions

Solutions acoustiques pour tout type d’environnement

affecte-t-il à l’école, au bureau mais aussi à l’hôpital. Vous

Design acoustique - Ecophon

www.ecophon.com/globalassets/file-structure/07_JPP.png

Il est indispensable d’offrir un environnement acoustique

des solutions répondant aux exigences de nos bureaux.

Centres d’appels - Ecophon

www.ecophon.com/applications-et-solutions/centres-appels

Comment améliorer l’acoustique des espaces de bureaux

qui assureront un lieu de travail agréable et productif.

Plafonds et panneaux muraux acoustiques

https://www.ecophon.com/

A propos d’Ecophon, Saint-Gobain Ecophon développe

acoustiques qui contribuent à un bon environnement de

Google
ACQUIRING NEW SKILLS
ACQUIRING NEW SKILLS
UPDATING OUR TRAINING AND KNOWLEDGE MANAGEMENT
UPDATING OUR TRAINING AND KNOWLEDGE MANAGEMENT
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UPDATING OUR TRAINING AND KNOWLEDGE MANAGEMENT
UPDATING OUR TRAINING AND KNOWLEDGE MANAGEMENT
ADOPTING NEW WORK METHODS

Organisation horizontale et polymorphique

- Primauté du client
- Autonomie
- Vision partagée
- Agilité
- Responsabilisation des employés
- Les bonnes incitations au changement
ADOPTING NEW WORK METHODS
ADAPTING TO NEW WORKSPACES
ADAPTING TO NEW WORKSPACES
IMPROVING OPERATIONAL EFFICIENCY
THE SAINT-GOBAIN ATTITUDES: ALL ABOARD THE DIGITAL EXPRESS!
DIGITAL TRANSFORMATION AT SAINT-GOBAIN
» Growth in Net Sales
like-for-like

2017 Sales
€40,810m

13/12 14/13 15/14 16/15 17/16
+4.7%

» Growth in Operating Income
like-for-like

2017 OI
€3,028m

13/12 14/13 15/14 16/15 17/16
+9.6%

» Growth in recurring
Net Income

2017 RNI
€1,631m

13/12 14/13 15/14 16/15 17/16
+16.7%

» Growth in Operating margin %

2017 OI 7.4%

6.6% 6.8% 6.7% 7.2% 7.4%

» Growth in ROCE %

2017 ROCE 11.2%

9.4 9.6 9.6 10.1 11.2

+20 bp

+110 bp
GOOD DYNAMIC IN VOLUMES AND PRICING

NET SALES EVOLUTION

2016 exchange rates structure price volumes 2017

39,093 -1.2% 0.9% +2.0% +2.7% 40,810

PRICE AND VOLUME EFFECT, by quarter

Q1 Q2 Q3 Q4

Price Volume

+6.0% +3.6% +3.8%

+1.6% +2.0% +2.0%

+2.7% -2.1%
OVERALL WELL-ORIENTED MARKETS

France
- Dynamic new-build activity
- Progress in renovation

Other Western Europe
- Growth in main countries
- UK uncertain

North America
- Strong construction markets
- Good improvement in industrial markets

Asia and emerging countries
- Growth in all regions
GOOD PERFORMANCE ACROSS ALL REGIONS

North America
- Sales +6.0%
- O.I. 10.5% 11.3%

France
- Sales +3.5%
- O.I. 2.9% 3.1%

Asia and emerging countries
- Sales +9.2%
- O.I. 10.9% 11.5%

Other Western Europe
- Sales +3.1%
- O.I. 6.2% 5.9%

Net Sales: like-for-like evolution
Operating Income as a % of Sales: 2016 et 2017
INNOVATIVE MATERIALS:
Solid growth

Net Sales

+5.3%

Operating income & operating margin (€m - %)

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Income (€m)</th>
<th>Operating Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1,106</td>
<td>11.2%</td>
</tr>
<tr>
<td>2017</td>
<td>1,286</td>
<td>12.4%</td>
</tr>
</tbody>
</table>

Industrial assets at end of 2017

38% of Group Industrial assets
CONSTRUCTION PRODUCTS:
Improvement against an inflationary backdrop

Net Sales

+6.2%

Operating income & operating margin (€m - %)

<table>
<thead>
<tr>
<th>Year</th>
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<tbody>
<tr>
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<td>9.3%</td>
</tr>
<tr>
<td>2017</td>
<td>1,143</td>
<td>9.1%</td>
</tr>
</tbody>
</table>

Industrial assets at end of 2017

37% of Group Industrial assets
BUILDING DISTRIBUTION:
Growth in volumes and prices

Net Sales

+3.6%

Operating income &
operating margin
(€m - %)

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Income</th>
<th>Operating Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>616</td>
<td>3.4%</td>
</tr>
<tr>
<td>2017</td>
<td>631</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

Industrial assets
at end of 2017

25% of Group Industrial assets
CONTINUED FINANCIAL DISCIPLINE

Cost savings: **€290m** calculated on 2016 cost base
- target exceeded, industry 4.0 initiatives
- new program 2017 – 2020: €1.2bn

Operating WCR: **28 days’ sales**
- demonstration of Group’s ability to remain below 30 days on a sustainable basis

Cash Flow: **+10.0%**
- strong cash flow generation
- free cash flow: +7.6%

Net Debt / EBITDA: **1.4x**
- solid balance sheet
- rating confirmed
A RENEWED AMBITION

Research & Development: €446m
- 400 patents filed
- 3,700 R&D employees

Acquisitions: €641m
- +77% vs. 2016
- acceleration of small and mid-sized acquisitions

Capital expenditure: €1,538m
- focus on growth capex outside Western Europe
- productivity and digital transformation
1ST QUARTER 2018: CONFIRMATION OF UNDERLYING TRENDS BUT ADVERSE EFFECTS OF WINTER WEATHER AND WORKING DAYS

**Innovative Materials**
- 2017/2016: +5.3%
- Q1-18/Q1-17: +3.7%

**Construction Products**
- 2017/2016: +6.2%
- Q1-18/Q1-17: +3.2%

**Building Distribution**
- 2017/2016: +3.6%
- Q1-18/Q1-17: -0.7%

**France**
- 2017/2016: +3.5%
- Q1-18/Q1-17: +1.3%

**Other Western Europe**
- 2017/2016: +3.1%
- Q1-18/Q1-17: -1.1%

**North America**
- 2017/2016: +6.0%
- Q1-18/Q1-17: +4.6%

**Asia & emerging countries**
- 2017/2016: +9.2%
- Q1-18/Q1-17: +6.8%

---

**Growth in Net Sales, %, like-for-like**
Burkard Family

-17% of Sika Capital sold at CHF 7,470 per share

Sika

+7% of Sika Capital bought at CHF 11,760 per share

Saint-Gobain

+10% of Sika Capital bought at CHF 4,490 per share

CHF 3.2 bn

CHF 2.1 bn
SHARE PRICE: A LESS FAVOURABLE YEAR 2017-2018

Share price

Total Shareholder Return since …

- 2 years: 6.9%
- 5 years: 8.3%
- 10 years: 2.6%
- 20 years: 3.7%
- Privatization: 8.1%
2017 DIVIDEND

**€1.30 PER SHARE**

Dividend yield at Dec. 30, 2017: **2.8%**

Payout ratio based on recurring net income: **44%**

**CALENDAR:**

- June 7, 2018: AGM
- June 11, 2018: Ex-dividend date
- June 13, 2018: Payment date
BREAKDOWN OF VALUE ADDED BY STAKEHOLDER

Operational costs €28bn

Added value €13bn

Salaries and retirement contributions 66%
Growth 22%

Interest repayment 2%
Taxes 4%
Dividends 6%
A STRONG AND GROWING GROUP
2017: ANOTHER YEAR OF GROWTH

- **sales growth***: +4.7%
- **operating income growth***: +9.6%
- **recurring net income growth**: +17%
- **increased dividend**: €1.30 per share

*like-for-like*
ACTION PLANS RESOLUTELY IMPLEMENTED

Invest in fast growing geographies and markets

Accelerate value-creating acquisitions

Strengthen our innovation capabilities

Develop our customer intimacy

Take operational excellence to another level
ACTION PLANS RESOLUTELY IMPLEMENTED

✅ Invest in fast growing geographies and markets

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   Strengthen our innovation capabilities

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ACTION PLANS RESOLUTELY IMPLEMENTED

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*Develop our customer intimacy*

*Take operational excellence to another level*
ACTION PLANS RESOLUTELY IMPLEMENTED

- Invest in fast growing geographies and markets
- Accelerate value-creating acquisitions
- Strengthen our innovation capabilities
- Develop our customer intimacy

*Take operational excellence to another level*
ACTION PLANS RESOLUTELY IMPLEMENTED

✔ Invest in fast growing geographies and markets
✔ Accelerate value-creating acquisitions
✔ Strengthen our innovation capabilities
✔ Develop our customer intimacy
✔ Take operational excellence to another level
POSITIVE OUTLOOK FOR 2018

- Further implementation of our **action plans**
- **Good macroeconomic prospects** in our main markets
- A further **like-for-like increase in operating income**
- Another year of high level of **cash generated by operations**
A GROUP STRENGTHENED BY AN ONGOING DIALOGUE WITH ITS STAKEHOLDERS

Employees

Civil society

Local communities

Customers and specifiers

Investors

Suppliers

Regulatory authorities

SAINT-GOBAIN
AN ENGAGING AND RESPONSIBLE VISION
Saint-Gobain designs, manufactures and distributes…

...which are key ingredients in the wellbeing of each of us and the future of all

...materials and solutions...
WORK FOR THE WELLBEING OF EACH OF US

- Ageing population: 60% increase in rate of people aged 65 and over by 2030
- Urbanization: 5 billion city-dwellers in 2030
- Growth of middle classes: +1.8 billion by 2035
• +40% energy consumption in 2030
• 70% GHG emissions coming from towns in 2030
• 36% GHG emissions due to buildings in Europe
OFFER PRODUCTIVITY AND PERFORMANCE TO ALL OUR CUSTOMERS

- Manpower shortage
- Loss of productivity in construction in developed countries (-9% in 20 years in France)
- Need for tailor-made innovation for our industrial customers
TWO PRIORITIES: AGILITY AND OPENNESS
A WORLD IN MOTION

Geopolitical instability

Digital transformation

New competitions
SIKA: A POSITIVE OUTCOME, DEMONSTRATING AGILITY AND PRAGMATISM

A positive net contribution higher than €600m

A tripartite deal eliminating any legal risk

Saint-Gobain, largest shareholder of Sika
A MORE OPEN AND CUSTOMER-CENTRIC INNOVATION

Harness all forces driving open innovation

Steer innovations closer to our customers’ needs
MORE FLEXIBLE AND RESPONSIVE OPERATIONS

Shift from mass to customized small series production

Offer greater supply chain efficiency
FASTER STRATEGIC MOVES

Speed up investments on the most profitable markets

Speed up portfolio rotation
MAKE OUR ORGANIZATIONS MORE AGILE

PLACE THE ATTITUDES AT THE CORE OF OUR CULTURE

ATTRACT TALENTS

A MORE AGILE STRUCTURE AND A RECOGNIZED ATTRACTIVENESS
Anne-Marie IDRAC
Chairman of the Nomination and Remuneration Committee
The Board of Directors comprises 14 members

- 73% Independent Directors, Committee Chairmen all independent
- 42% Women
- 96% Attendance rate
- 1 Lead Independent Director
- 2 Employee Directors
- 1 Director representing employee shareholders

Average seniority: 6.3 years

Compagnie de Saint-Gobain refers to the AFEP-MEDEF Corporate Governance Code
Directors’ Skills and Experience (1/2)

- Non-French Directors: 27% (excluding employee Directors)

- A majority of Directors has or has had a very strong international exposure: managing groups with a significant proportion of their activities, or exercising significant duties, outside France
Diversity policy at the Board

- In the context of future appointments (results of the Board self-assessment):
  - Retain the Distribution and Digital skills
  - Increase international exposure
  - Maintain the ratio of executive Directors in office within other large groups

- The co-optation of Ms. Dominique LEROY on November 23, 2017 as an independent Director fully satisfies these objectives
BOARD OF DIRECTORS’ COMMITTEES

Audit and Risk Committee

- 83% attendance
- 4 meetings
- 100% of independent Directors, including its Chairman

Nomination and Remuneration Committee

- 96% attendance
- 4 meetings
- 2/3 of independent Directors, including its Chairman

Strategy and CSR Committee

- 100% attendance
- 6 meetings
  - Strategic orientations of the Group’s business (budget, plan) and other strategic issues submitted to the Board
  - Integration of CSR topics in the Group's strategy
CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS
PROPOSED TO THE GENERAL MEETING (1/2)

Proposed renewal of the Director’s term of office of
Mr. Pierre-André de CHALENDAR

- Chaiman and Chief Executive Officer since 2010
- Member of the Strategy and CSR Committee since 2008
- The Board of Directors intends to reappoint Mr. de CHALENDAR as Chairman and Chief Executive Officer if the General Shareholders’ Meeting approves the renewal of his term of office
- Full biography on page 18 of your Notice of Meeting
Proposed ratification of the co-optation of Ms. Dominique LEROY as an independant Director

- Chief Executive Officer of Proximus, member of the Supervisory Board and of the Sustainability and Innovation Committee of Ahold Delhaize
- Independant Director, co-opted on November 23, 2017 following the resignation of Olivia Qiu for personal reasons
- Dominique LEROY, a Belgian citizen, will bring to the Board of Directors of Saint-Gobain her experience as a non-French executive officer of a listed group and her operational knowledge of the distribution sector and of digital transformation matters.
- Full biography on page 19 of your Notice of Meeting
GENERAL PRINCIPLES OF THE COMPENSATION POLICY OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

- The compensation policy
  - Is decided by the Board of Directors at the proposal of the Nomination and Remuneration Committee
  - Reflects the Group’s strategy and aims at aligning the compensation of the Chairman and Chief Executive Officer with the Group’s performance and the long-term interests of its shareholders

- The Board of Directors, with the Nomination and Remuneration Committee
  - Ensures the remuneration complies with the recommendations of the AFEP-MEDEF Code and meets transparency and performance measurement requirements
  - Ensures the compensation of the Chairman and Chief Executive Officer evolves taking into account the Group’s performance and market practices
  - Takes into consideration benchmarks of CAC 40 companies comparable to Saint-Gobain in terms of sales, workforce and international scope of operations

- CSR commitments of the Group
  - Are one of the qualitative objectives of the Chairman and Chief Executive Officer’s variable compensation since 2013
  - Are now part of the criteria applicable to the 2017 long-term compensation
Summary of his compensation components

(\textit{in euros, before social charges and income tax})

<table>
<thead>
<tr>
<th></th>
<th>Fiscal year 2017</th>
<th>Fiscal year 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed compensation</strong></td>
<td>1,100,000</td>
<td>1,100,000</td>
</tr>
<tr>
<td><strong>Annual variable compensation</strong></td>
<td>1,487,270</td>
<td>1,529,879</td>
</tr>
<tr>
<td><strong>Benefits in kind (company car)</strong></td>
<td>3,607</td>
<td>2,652</td>
</tr>
<tr>
<td><strong>Stock options (IFRS valuation)</strong></td>
<td>58,000 options, i.e. 293,626</td>
<td>58,000 options, i.e. 244,200</td>
</tr>
<tr>
<td><strong>Performance shares (IFRS valuation)</strong></td>
<td>67,000 shares, i.e. 1,710,478</td>
<td>67,000 shares, i.e. 1,189,900</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,594,981</td>
<td>4,066,631</td>
</tr>
</tbody>
</table>

The fixed compensation is commensurable with the Chairman and Chief Executive Officer’s experience and responsibilities
# COMPENSATION COMPONENTS PAID OR GRANTED TO MR. PIERRE-ANDRÉ DE CHALENDAR FOR 2017 (SAY ON PAY EX POST)

### 2017 variable compensation
(cap: 170% of the fixed compensation)

<table>
<thead>
<tr>
<th>Quantifiable objectives (2/3, each accounting for 1/4)</th>
<th>Qualitative objectives (1/3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>assess the operational and financial performance of Group</td>
<td>reflect the Group’s strategic orientations</td>
</tr>
<tr>
<td><strong>ROCE</strong></td>
<td><strong>Continuation of the Group’s digital transformation</strong></td>
</tr>
<tr>
<td><strong>Group operating income</strong></td>
<td><strong>Implementation of the CSR policy</strong></td>
</tr>
<tr>
<td><strong>Group recurring net income per share</strong></td>
<td><strong>Continuation of the Group’s development strategy</strong></td>
</tr>
<tr>
<td><strong>OFCF</strong></td>
<td><strong>Achievement rate: 80%</strong></td>
</tr>
<tr>
<td><strong>Achievement rate: 79%</strong></td>
<td><strong>Achievement rate: 80%</strong></td>
</tr>
</tbody>
</table>

**Overall achievement rate: 80%**

The variable compensation encourage the achievement of the Group’s annual financial and non-financial objectives.
<table>
<thead>
<tr>
<th>Performance conditions</th>
<th>Stock-options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance conditions</td>
<td></td>
</tr>
<tr>
<td>1. Saint-Gobain Group ROCE: 65%</td>
<td></td>
</tr>
<tr>
<td>2. Performance of the stock price versus the CAC 40 stock market index: 20%</td>
<td></td>
</tr>
<tr>
<td>3. CSR: 15%</td>
<td></td>
</tr>
<tr>
<td>Caps</td>
<td></td>
</tr>
<tr>
<td>100% of the total maximum gross compensation (in 2017, LTI grants to the Chairman and Chief Executive Officer amounted to 68% of the total maximum gross compensation)</td>
<td></td>
</tr>
<tr>
<td>10% of the overall grant of performance shares and performance units and of the issuance authorization</td>
<td></td>
</tr>
<tr>
<td>Number (23 November 2017 grants)</td>
<td>0 to 67,000</td>
</tr>
<tr>
<td>Vesting date /Starting date of exercise period</td>
<td>23 November 2021</td>
</tr>
<tr>
<td>IFRS value (in euros)</td>
<td>1,710,478</td>
</tr>
<tr>
<td>Service condition</td>
<td>yes</td>
</tr>
<tr>
<td>Prohibition to hedge the risk</td>
<td>yes</td>
</tr>
<tr>
<td>Demanding obligations to acquire and/or hold Saint-Gobain shares</td>
<td>5 years of gross fixed compensation</td>
</tr>
</tbody>
</table>

The long-term compensation encourages financial and non-financial value creation over the long-term.
2018 COMPENSATION POLICY FOR THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER (SAY ON PAY EX ANTE)

- **Compensation policy**
  - Is decided by the Board of Directors at the proposal of the Nomination and Remuneration Committee
  - In the context of the renewal of its term of office: **fixed compensation** increased from €1,100,000 to €1,200,000 for its full term
    - Lower increase than that of the Group employees in France since 2010
    - Level at the median of industrial CAC 40 companies comparable to Saint-Gobain in terms of size (sales, workforce or international footprint)

- **Long-term compensation**
  - Cap for grants of long-term compensation instruments to the Chairman and Chief Executive Officer set at 85% of his 2018 total maximum gross compensation (compared to 100% for 2017)
  - Compulsory proratisation if the Board of Directors decides to exempt the Director from the service condition in the event of his departure as Director
OTHER COMPONENTS OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER’S COMPENSATION

- No variable deferred compensation
- No multi-annual variable compensation
- No exceptional compensation
- No attendance fees from Group’s companies
UNDERTAKINGS TO BE APPROVED BY THE 2018 GENERAL SHAREHOLDERS’ MEETING (1/2)

- Mr. Pierre-André de CHALENDAR waived his employment contract in 2010

- Compensation for loss of office
  - Capped at 2 years of gross annual total compensation
  - Due in the event of forced departure
  - Performance condition: the variable compensation must have been at least equal to, on average for the last three full fiscal years, 50% of its average maximum amount

- Non-compete indemnity
  - Equal to one year’s total gross compensation
  - The Board may waive the application of the non-compete indemnity provision

- The sum of the non-compete indemnity and the compensation for loss of office may not exceed twice the total gross annual compensation
**Supplementary pension plan**

- Applicable to all employees who joined Compagnie de Saint-Gobain prior to January 1, 1994 (i.e., as of December 31, 2017, 234 retired employees and 25 potential active employees)

- **Amount** (assuming retirement with the maximum number of years of service – 35 years – and excluding pension benefits paid under the basic and compulsory pension schemes):
  
  *approximately 37% of his latest fixed compensation (significantly lower than the AFEP-Medef Code’s recommended ceiling set at 45% of the sum of the fixed and variable compensation)*

- **Eligibility condition**: to retire at 60 or over on a full pension under the compulsory government-sponsored schemes

- **Service condition**

- **Performance condition**: same as for the compensation for loss of office

**Renewal of the benefits under the Group health and personal risk insurance contracts applicable to employees of Compagnie de Saint-Gobain**
LEAD INDEPENDENT DIRECTOR: 2017 REVIEW

- Key Board activities
- Board assessment
- Principal other activities
At each Board meeting, including during its yearly seminar: review of a specific aspect of the strategy of the Group or of its Activities or Delegation

- Planned acquisitions or strategic transaction
- Benchmark with competitors
- Strategic plan
- Digital transformation: follow-up on the implementation of the roadmap
Risk management

- Risk mapping and risk management system (annual review)
- Cybersecurity
- Main litigation proceedings
- Compliance: implementation of the Compliance program and impact of the so-called « Sapin II » law
Strong focus of the Board on climate change

- During the yearly strategic seminar: review of the initiatives in terms of CO\(_2\) emissions and energy consumption reduction
- During a specific half-day seminar devoted to climate change with international experts
- Saint-Gobain’s objective: playing a role in the fight against climate change
  - Reduction of CO\(_2\) emissions (2025 objective, internal price of carbon)
  - Promotion of the contribution of Saint-Gobain solutions

- CSR politics: human resources, safety/health, environment
- Non-financial results

Corporate Social Responsibility/Climate change
2017 BOARD ASSESSMENT (1/2)

- Conducted between September and November 2017 and led by the Lead Independent Director

- Scope, as every year
  - Operation of the Board and the Committees
  - Composition of the Board
  - Assessment of the individual contributions

- Main conclusions
  - Operation of the Board: positive opinion
  - Composition of the Board: varied and complementary experiences
  - Potential future nominations: recruit a younger non-French Director with experience of digital and/or distribution matters
  - Covered matters: continue the in-depth analysis of strategic matters; plans for acquisitions, value creation and digital transformation; risk analysis
Conclusions on the combination or separation of the Chairman of the Board and CEO roles: confirmation of the combination of the Chairman of the Board and CEO roles

- Well suited to Saint-Gobain and to the experience and highly transparent approach of the Chairman and Chief Executive Officer
- Various counterweights
  - High ratio of independent Directors (including the Committees’ Chairmen)
  - Lead Independent Director
  - Executive sessions
  - Main shareholders’ representatives (the employee shareholders’ - the PEG corporate mutual fund - Wendel)
  - Employee Directors
  - Prior approval of the Board for specific significant transactions

Usual governance structure in France
PRINCIPAL OTHER ACTIVITIES IN 2017

- Risk identification (none) and risk management (as the case may be)
- Examine the independence status of the Directors and of potential independent Directors
- Succession plans for the Chairman and Chief Executive Officer in the event of an unanticipated vacancy as well in the long-term
- Executive sessions
- Meeting and engaging in dialogue with several shareholders about Saint-Gobain’s principles of governance
STATUTORY AUDITORS’ REPORTS
REPORTS ON THE FINANCIAL STATEMENTS

- Reports on the consolidated financial statements and on the parent company financial statements (pages 271 to 275 and 304 to 307 of the 2017 Registration Document respectively)
  - 1st and 2nd resolutions of the Ordinary Shareholders’ meeting

Purpose
- Obtain reasonable assurance that the financial statements and information contained therein give a true and fair view of the Group and parent company

Opinion on the financial statements and specific verifications
- Unqualified opinion on the consolidated financial statements
- Unqualified opinion on the parent company financial statements with an emphasis of matter concerning the change of accounting policies due to the first-time application of ANC regulation 2015-05 on forward financial instruments and hedging operations
- The information given in the management report of the Board of Directors and in the Notes to the financial statements is appropriate
### Justification of our assessments

<table>
<thead>
<tr>
<th>Key audit matters</th>
<th>Main specific procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurement of provisions for liabilities and litigation</td>
<td>Understanding the method applied when measuring the corresponding provisions, reviewing internal analyses, legal or technical opinions and assessing the appropriateness of the data used and the positions made by Management</td>
</tr>
<tr>
<td>Measurement of goodwill, intangible assets and property, plant &amp; equipment</td>
<td>Assessing the procedures implemented for impairment testing, verifying the effectiveness of the controls performed by Management, carrying out an independent analysis of certain key assumptions and examining, for a selection of cash generating units, the calculation parameters used by Management</td>
</tr>
<tr>
<td>Planned acquisition of a controlling interest in Sika</td>
<td>Assessing the appropriateness of the assumptions used by Management to determine the accounting treatment of the hedging transaction related to the acquisition</td>
</tr>
<tr>
<td>Measurement of supplier discounts in the Building Distribution Sector</td>
<td>Understanding the method applied when measuring the accrued supplier discounts, assessing on a multi-year basis the consistency of the supplier discount rates and verifying, through a sample, the calculation of supplier discounts obtained</td>
</tr>
</tbody>
</table>
## Justification of our assessments

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<tbody>
<tr>
<td><strong>Parent company financial statements</strong></td>
<td>- Assessing the procedures implemented for impairment testing, verifying the effectiveness of the controls performed by Management, carrying out an independent analysis of certain key assumptions and examining, for a selection of investments, the calculation parameters used by Management</td>
</tr>
<tr>
<td>- Measurement of financial investments</td>
<td></td>
</tr>
</tbody>
</table>
OTHER REPORTS

☐ Special report on related party agreements and undertakings (pages 175 to 180 of the 2017 Registration Document)

  o 88, 9 et 10th resolutions of the Ordinary Shareholders’ meeting

  o Agreements and undertakings to be submitted for the approval of the Annual General Meeting:
    □ Undertakings given to Pierre-André de Chalendar concerning the compensation and benefits potentially due, in certain cases, on the termination of his duties as Chairman and Chief Executive Officer
    □ Pension plan for Pierre-André de Chalendar in his capacity as non-salaried executive corporate officer
    □ Benefits under the Group health and personal risk insurance contracts applicable to employees of Compagnie de Saint-Gobain to be maintained for Pierre-André de Chalendar in his capacity as non-salaried executive corporate officer

  o Agreements and undertakings previously approved by the Annual General Meeting:
    □ 2 were implemented during the year
    □ 2 remained in force but were not implemented during the year
OTHER REPORTS

- Report by one of the Statutory Auditors, appointed as an independent third party, on the consolidated human resources, environmental and social information presented in the management report (pages 328 to 329 of the 2017 Registration Document)
  - We have no matter to draw to your attention regarding this report

- Special report on the share capital transactions
  - 13th resolution of the Extraordinary Shareholders’ meeting
  - Your Board of Directors is asking you to delegate authority to carry out equity or equity-linked securities issues reserved for certain categories of beneficiaries
  - We have no matter to report on the information given in the report of the Board of Directors regarding the proposed transaction
  - In accordance with the French Commercial Code, we will establish an additional report, where appropriate, in case of use of this authorization by the Board of Directors
Summary of the resolutions proposed to the Annual General Shareholder’s Meeting of June 7, 2018

Mr. Antoine Vignial
General Secretary
The resolutions' titles presented herein are summarized for information purposes. Only the full French version of the draft resolutions published in the BALO shall prevail.
APPROVAL OF THE NON-CONSOLIDATED AND CONSOLIDATED FINANCIAL STATEMENTS (1st AND 2nd RESOLUTIONS)

APPROPRIATION OF INCOME AND DETERMINATION OF THE DIVIDEND (3rd RESOLUTION)

☐ Refer to the Chief Financial Officer’s earlier presentation
RE-ELECTION OF MR. PIERRE-ANDRÉ DE CHALENDAR AS DIRECTOR (4th RESOLUTION)

RATIFICATION OF THE CO-OPTATION OF MS. DOMINIQUE LEROY AS DIRECTOR (5th RESOLUTION)

☐ Refer to the earlier presentations of the Chairman of the Nomination and Remuneration Committee and of the Lead Independent Director
COMPENSATION COMPONENTS OF MR. PIERRE-ANDRÉ DE CHALENDAR FOR 2017 (« SAY ON PAY » EX POST) (6th RESOLUTION)

COMPENSATION POLICY OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER FOR 2018 (« SAY ON PAY » EX ANTE) (7th RESOLUTION)

☐ Refer to the earlier presentation of the Chairman of the Nomination and Remuneration Committee
RELATED-PARTY AGREEMENTS AND UNDERTAKINGS TO THE BENEFIT OF MR. PIERRE-ANDRÉ DE CHALENDAR
(8th, 9th AND 10th RESOLUTIONS)

- Refer to the earlier presentations of the Chairman of the Nomination and Remuneration Committee and of the Statutory Auditors
RE-APPOINTMENT OF KPMG AUDIT FIRM AS PRIMARY STATUTORY AUDITOR (11th RESOLUTION)

☐ 6-year term
SHARE BUYBACK PROGRAM
(12th RESOLUTION)

- Authorization given to the Board of Directors to trade in Saint-Gobain shares
  - Maximum purchase price: EUR 80 per share
  - Maximum number of shares that may be bought back: 10% of the share capital
  - No trade while a public tender offer is in progress
  - Duration: 18 months
The resolutions' titles presented herein are summarized for information purposes. Only the full French version of the draft resolutions published in the BALO shall prevail.

2. EXTRAORDINARY MEETING
CAPITAL INCREASE ALLOWING EMPLOYEES OF THE GROUP BASED OUTSIDE FRANCE TO BENEFIT FROM A DEVICE EQUIVALENT TO THE SAINT-GOBAIN GROUP SAVINGS PLAN (13th RESOLUTION)

- Renewal of the 18th resolution approved by the 2017 General Shareholders’ Meeting

- Cap (nominal amount): 0.04% of the share capital, included in the cap of the 17th resolution (Group Savings Plan) approved by the 2017 General Shareholders’ Meeting

- Duration: 18 months
AMENDMENTS TO THE BY-LAWS RELATIVE TO THE NUMBER OF DIRECTORS REPRESENTING EMPLOYEES AT THE BOARD OF DIRECTORS
(14th RESOLUTION)

- Current drafting: appointment of a single Director representing employees if the number of non-employee Directors is less than or equal to 12

- Proposed drafting: two Directors representing employees irrespective of the size of the Board of Directors
Powers to the bearer of an original, copy or extract of the minutes of the Meeting to enforce decisions taken by the General Meeting and to carry out formalities
Combined General Shareholders' Meeting

June 7, 2018

Q&A Session
Combined General Shareholders' Meeting

June 7, 2018

Voting on the resolutions
Combined General Shareholders' Meeting

June 7, 2018